

IN THE MATTER OF INTEREST ARBITRATION

BETWEEN)	
)	
THE CITY OF ANKENY, IOWA,)	
)	Hugh J. Perry, Arbitrator
PUBLIC EMPLOYER,)	
AND)	
)	Award issued:
AFSCME LOCAL NO. 1868,)	January 29, 2002
)	
EMPLOYEE ORGANIZATION.)	

2002 JAN 30 PM 1:00
PUBLIC EMPLOYMENT
RELATIONS BOARD

APPEARANCES:

FOR CITY OF ANKENY:
Jim Brick, Attorney

FOR AFSCME LOCAL NO. 1868:
Mike Campbell, Bargaining Representative

BACKGROUND

AFSCME Local #1868 represents a bargaining unit comprised of some 31 workers (equipment operators, mechanics, water and wastewater utility operators, lab technician and laborers) in the public works department of the City of Ankeny, Iowa, population some 27,000. Ankeny is located immediately north of the City of Des Moines on Interstate highway 35. There is another bargaining unit in the city, the Police Unit which arrived at a 4 year settlement last year for the period July 1, 2001 to June 30, 2005. The City commissioned a compensation/classification study which was performed by DMG-Maximus, Inc. of Roseville, Minnesota. Commenced in 1999 the study was finally published in September of 2000. The purpose of the study was to insure that various positions within the city were paid at a salary which would make them competitive among other public employers, local, regional and national and to insure internal equity, i.e. that employees performing work requiring the same relative skill and ability were compensated similarly. The study recommended a pay schedule upon which employees would be placed and provides for 8 annual steps with 5% increases for each step. The intent of the City in implementing the plan was for no employee to be diminished in wages in his/her placement on the schedule. Most employees, due to their length of service would be placed somewhere in the middle of the plan. For this unit, placement on the plan would result in immediate individual wage increases of from .052% to 13.47%. The overall average wage increase would be 5.24%. The City adjusted the proposed pay plan recommended in the study by 3.5% immediately due to the delay in its development. The plan also provides for annual "market review" of these wages which could result in further wage increases. Such increases are not guaranteed. The Police unit was offered the plan last year during bargaining and agreed to it, resulting in a 4 year contract with a limited reopener (Health Insurance

only is reopened in year 1 and 4). The plan was implemented for all non-bargaining unit City employees. This bargaining unit chose not to accept the plan which acceptance would have required an agreement to a multi year (4-5 year) contract.

The parties have bypassed mediation and fact-finding and proceed directly to final offer arbitration under which the Arbitrator, after considering the statutory criteria set forth in Section 9 of The Public Employment Act (Chapter 20) must award the position of the party on each impasse issue he determines to be the most reasonable. The sole impasse issue here is **Wages**. A hearing was held at the offices of the Public Employment Relations Board on January 26, 2002.

IMPASSE ISSUES

The impasse issue for decision by the arbitrator is **Wages** for the contract year July 1, 2002 to June 30, 2003.

CURRENT CONTRACT

The current contract covers the period July 1, 1999 to June 30, 2002. It provides for a 7 step wage schedule. Annual step increases vary from 2% to 6%. The starting salaries range from \$20,936.00 (Public Works Laborer) to \$27,614 (Equipment Operator III and Utilities Operator II). Top salaries range from \$26,107 (Public Works Laborer) to \$34,350 (Utilities Operator III). The contract also provides for longevity pay after 5 years of service to the City.

PROPOSALS OF THE PARTIES

The **Union** advances the following proposal at arbitration: That the wages and schedule from the DMG study be implemented for these employees for a **one** year contract only, July 1, 2002 to June 30, 2003. As discussed above, the study would result in average wage increases for these employees of from .052% to 13.47% and an average wage increase of 5.24%. Further, it would provided for annual 5% steps and the possibility of market adjustments for each year. The Union contends that this is a reasonable schedule, but reserves the right to look at it again next year and, if necessary negotiate necessary changes.

The **City** advances as its proposal a 3.5% across the board wage increase for these employees. The City notes that it would like this Unit on the DMG pay plan with all other city employees, however, it is unwilling to move these employees to the plan on a one year only basis. The plan was offered to the police employees on a multi year basis (4 years). It will take that long for the plan to work. These employees were offered the plan on the same basis, but declined. The City indicated a willingness to bargain these employees movement to the plan next year, but for this year a 3.5% wage increase is justified by the data. The City costs its proposal which includes the cost of step increases at 5.56%. Arbitration should not be a substitute for negotiations. For the arbitrator to award the Union proposal would be to give these employees the best of both worlds, a plan with generous steps built in **plus** the ability to negotiate a further wage increase for the next contract year. The City argues that there may be a legal problem with an arbitrator awarding such

a proposal with built in wage increases beyond the life of the contract which is the subject of this dispute. To support its proposal, the City used comparability data derived from communities in the Des Moines metro area, excluding Des Moines because of its size and Clive because of its non bargaining status and a group of state wide communities (those four in population immediately larger and those four immediately smaller than Ankeny). Generally employees in Ankeny are compensated somewhat above average in the state wide comparison but compare less favorably when viewed against similar employees in the other metro communities. The data does not suggest that a dramatic wage adjustment is justified but that some individual positions (Equipment Operator II, Mechanic) compare less favorably than others. The City used median and mean longevity when making comparisons. The City also introduced settlement data indicating that wage increases among similar Iowa public employees this year averaged 2.9779%. Some of these wage increases are mid contract adjustments.

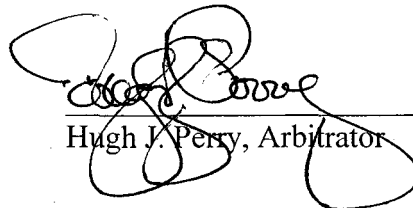
DISCUSSION

The Union proposes that it be awarded wages based on a study performed for the City which would result in various wage increases and a matrix providing for 5% annual increases on an 8 step basis. Most employees would have another 3-4 steps to move if placed on the schedule as proposed. This plan was offered to the Union, providing that it agreed to a 4-5 year agreement. The Union declined. The City's offer was accepted by the police unit last year. The City indicates that it will offer these employees the plan again next year, providing that a multi year contract results. To award the Union proposal would take away any incentive for these employees to agree to a multi year plan as proposed by the City. The City's proposal of 3.5% appears to be somewhat above the settlement trend this bargaining year. Its actual cost, at least for the first year would be above that of the DMG plan and Union proposal. The best pay plan for these parties is one which they negotiate between themselves. I am unconvinced that the parties have given the development of a new plan their best efforts. I don't necessarily agree with the City that a wage schedule providing for scheduled adjustments (steps) beyond the life of the present contract is without the jurisdiction of the Arbitrator. I commend to the parties the development of a new pay plan during next year's bargaining. In the interim, I am persuaded that it would be most appropriate for me to leave the parties with the pay plan they currently have which, I presume, was the product of voluntary negotiations. For all of these reasons, I conclude that the City's wage proposal is the most reasonable one before me.

AWARD

The City's position on Wages is awarded. The existing wage schedule should be increased by 3.5% for the next contract year.

Signed this 29th day of January, 2002.



Hugh J. Perry, Arbitrator

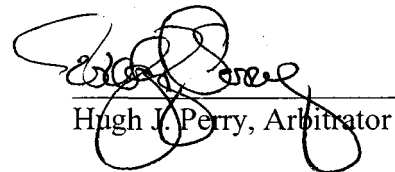
CERTIFICATE OF SERVICE

I certify that on the 29th day of January, 2002, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Jim Brick
Attorney At Law
530 39th St. Suite 200
Des Moines, Iowa 50312

Mike Campbell
AFSCME Iowa Council 61
4320 N.W. 2nd Ave.
Des Moines, Iowa 50313

I further certify that on the 29th day of January, 2002, I will submit this award for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, Iowa 50309.



Hugh J. Perry, Arbitrator